

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

In the Matter of:

Ulman Post Office
Ulman, Missouri

Docket No. A2011-39

REVISED UNITED STATES POSTAL SERVICE
COMMENTS REGARDING APPEAL [ERRATA]¹
(October 13, 2011)

On August 3, 2011, the Postal Regulatory Commission (Commission) received an appeal postmarked February 19, 2011, from postal customer Buster McGowin (Petitioner) objecting to the discontinuance of the Post Office at Ulman, Missouri. On August 5, 2011, the Commission issued Order No. 793, its Notice and Order Accepting Appeal and Establishing Procedural Schedule under 39 U.S.C. § 404(d). In accordance with Order No. 793, the administrative record was filed with the Commission on August 18, 2011. The Petitioner filed a Form 61 in support of the petition on August 30, 2011. The Commission received no additional written communications from customers of the Ulman Post Office.

The appeal received by the Commission on August 3, 2011, and the Participant Statement filed on August 30, 2011, raise two main issues: (1) the effect on postal services, and (2) the calculation of economic savings expected to result from

¹ Yesterday's Public Representative's Reply Comments in this docket correctly indicated that the Postal Service's September 27 Comments failed to address the Participant Statement filed on August 30, 2011. The Postal Service is accordingly filing these revised comments to correct its observation that the Petitioner did not file a Form 61, and to explain how little the Form 61 did raise that had not already been raised and addressed in the Administrative Record. Thus, affirmation is still appropriate in this docket. Changes in this document from the September 27th filing are limited to this page, references to the Participant Statement on pages 2 and 5, and footnotes 4 and 5.

discontinuing the Ulman Post Office. As reflected in the administrative record of this proceeding, the Postal Service gave these issues serious consideration. In addition, consistent with the Postal Service's statutory obligations and Commission precedent,² the Postal Service gave consideration to a number of other issues, including the impact upon the Ulman community, and the impact upon postal employees. Accordingly, the determination to discontinue the Ulman Post Office should be affirmed.

Background

The Final Determination to Close the Ulman, MO Post Office and Continue to Provide Service by Highway Contract Route Service (FD), as well as the administrative record, indicate that the Ulman Post Office provides EAS-11 level service to 19 Post Office Box customers, and retail customers 50.5 hours per week. FD at 1; Item No. 18, (Form 4920) Post Office Closing or Consolidation Proposal Fact Sheet ("Fact Sheet"), at 1.³ The postmaster position became vacant when the postmaster of the Ulman Post Office retired on March 3, 2009. An officer-in-charge (OIC) has been installed to operate the office. Upon implementation of the final determination, the noncareer postmaster relief (PMR) may be separated from the Postal Service, if he cannot be assigned to a nearby facility. FD at 1, 7-8; Item No. 21, Letter to Postal Service Customer from Manager, Post Office Operations ("Letter to Customer"), at 1; Item No. 33, Proposal to Close the Ulman, MO Post Office and Continue to Provide Highway Contract Route Service ("Proposal"), at 8. The average number of daily retail window transactions at the Ulman Post Office is nine. Revenue has been declining: \$15,758.00

² See 39 U.S.C. 404(d)(2)(A).

³ In these comments, specific items in the administrative record are referred to as "Item ____."

in FY 2008 (41 revenue units); \$15,505.00 in FY 2009; and \$9,538.00 in FY 2010. The Ulman Post Office has no meter or permit customers. FD at 1; Item No. 18, Fact Sheet, at 1; Item No. 33, Proposal, at 2.

Upon implementation of the final determination, delivery and retail services will be provided by the Brumley Post Office, an EAS-13 level office with 45 available Post Office boxes, located about five miles away. FD at 1; Fact Sheet, at 1; Proposal at 2.

The Postal Service followed the proper procedures which led to the posting of the FD. All issues raised by the customers of the Ulman Post Office were considered and properly addressed by the Postal Service. The Postal Service complied with all notice requirements. In addition to the posting of the Proposal and FD, customers received notice through other means. Questionnaires were distributed to delivery customers of the Ulman Post Office. Questionnaires were also available over the counter for retail customers at Ulman. FD at 1; Item No. 26, Questionnaire Instruction Letter from P.O. Review Coordinator to OIC/Postmaster at Ulman Post Office, at 1. A letter from the Manager of Post Office Operations, St. Louis, MO was also made available to postal customers. The letter advised customers that the Postal Service was evaluating whether the continued operation of the Ulman Post Office was warranted, and that effective and regular service could be provided through Highway Contract route delivery and retail services available at the Brumley Post Office. Item No. 25, at 1. The letter invited customers to complete and return a customer questionnaire and to express their opinions about the service they were receiving and the effects of a possible change involving Highway Contract route delivery. Item No. 21, Letter to Customer, at 1. The

returned customer questionnaires and Postal Service response letters appear in the administrative record in Item No. 22, and Postal Service analysis of the questionnaire responses is included as Item No. 23. In addition, representatives from the Postal Service were available at the Ulman Post Office for a community meeting on March 23, 2011, to answer questions and provide information to customers. FD at 1; Item No. 21, Letter to Customer, at 1; Item No. 24, Community Meeting Roster; Item No. 25, Community Meeting Analysis; Item No. 33, Proposal, at 2, 6-7. Customers received formal notice of the Proposal and FD through postings at nearby facilities. The Proposal was posted with an invitation for public comment at the Ulman Post Office and the Brumley Post Office from April 18, 2011 to June 19, 2011. FD at 1. The FD was posted at the same two Post Offices starting on July 11, 2011, as confirmed by the round-dated FD cover sheet for Ulman that appears in the administrative record.

In light of the postmaster vacancy, a minimal workload, declining revenue, the variety of delivery and retail options (including the convenience of Highway Contract delivery and retail service from Brumley), minimal impact upon the community, and the expected financial savings, the Postal Service issued the FD. Regular and effective postal services will continue to be provided to the Ulman community in a cost-effective manner upon implementation of the final determination. FD at 1-8.

Each of the issues raised by the Petitioner is addressed in the paragraphs which follow.

Effect on Postal Services

Consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iii) and as addressed throughout the administrative record, the Postal Service considered the effect of closing the Ulman Post Office on postal services provided to Ulman customers. The closing is premised upon providing regular and effective postal services to Ulman customers.

The Petitioner, in his letter of appeal and Participant Statement, raises the issue of the effect on postal services of the Ulman Post Office's closing, noting the convenience of the Ulman Post Office and requesting its retention. The Petitioner expresses particular concern about purchasing stamps and money orders, receipt of accountable mail, and carrier delivery to senior citizens during snowy periods, especially to senior citizens. Each of these concerns has been considered by the Postal Service.⁴

The Postal Service determines postmaster level and Post Office service hours by analyzing the workload of a Post Office. The Ulman office qualifies as an EAS-11 office based on service to 19 Post Office boxes, 107 intermediate rural boxes, and 33 Highway Contract/Star Route boxes. FD at 1; Item No. 9, Worksheet for Calculating Workload Service Credit. The Ulman Post Office has an average of nine daily retail window transactions. Item No. 10, Window Transaction Survey. Upon the implementation of the final determination, delivery and retail services will be provided by

⁴ See, e.g., FD at 2 (Concern 5 –obtaining retail services from carrier, Concern 7 – hardship arrangements for senior citizens), 3 (Concern 3 – carrier service during extreme weather conditions), 4 (Concern 7 – delivery of accountable mail). The Participant Statement raises a new concern not previously raised, and accordingly not addressed precisely by the administrative record, about delivery of large boxes of literature and supplies to three area churches. However, the Postal Service did address customer concerns about the delivery of large packages in the Administrative Record. See, e.g., Item No. 23, at 2-3. The Postal Service provides a variety of options available to the churches for secure delivery of packages.

highway contract route delivery emanating from the Brumley Post Office. The window service hours of this Post Office are from 8 a.m. to 4:30 p.m., Monday through Friday and 9 a.m. to 12 noon on Saturday. FD at 1. Carriers can provide retail services along their routes. In addition, customers opting for carrier service will have 24-hour access to their mail. FD at 2, 5.

Effect Upon the Ulman Community

The Postal Service is obligated to consider the effect of its decision to close the Ulman Post Office upon the Ulman community. 39 U.S.C. § 404(d)(2)(A)(i). While the primary purpose of the Postal Service is to provide postal services, the statute recognizes the substantial role in community affairs often played by local Post Offices, and requires consideration of that role whenever the Postal Service proposes to close or consolidate a Post Office.

Ulman is an unincorporated rural community located in Miller County. The Miller County Sheriff's Department provides police protection. The community is administered politically by a mayor and council form of government, with fire protection provided by the Brumley Volunteer Fire District. FD at 5; Item No. 33, Proposal at 6. After consideration of the questionnaires completed by Ulman customers, concerns expressed at the community meeting, a petition from customers (Item No. 27), and a Congressional inquiry (Item No. 28), the Postal Service responded to the concerns. The effect of the closing of the Ulman Post Office upon the Ulman community was extensively considered by the Postal Service, as reflected in the administrative record.

See FD at 5-7; Item No. 17, Returned customer questionnaires and Postal Service response letters; Item No. 25, Community Meeting Analysis.

The impact on the Ulman community was extensively considered by the Postal Service, as reflected in the administrative record. The Postal Service explained that a community's identity derives from the interest and vitality of its residents and their use of its name. FD at 3, 5-6. Communities generally require regular and effective postal services, and these will continue to be provided to the Ulman community.

In addition, the Postal Service has concluded that nonpostal services provided by the Ulman Post Office can be provided by the Brumley Post Office. Government forms usually provided by the Post Office are also available by contacting local government agencies. FD at 5.

Thus, the Postal Service has met its burden, as set forth in 39 U.S.C. § 404(d)(2)(A)(i), by considering the effect of closing the Ulman Post Office on the community served by the Ulman Post Office.

Economic Savings

The Petitioner also challenges the extent of cost savings from closing Ulman. But postal officials properly considered the economic savings that would result from the proposed closing, as provided under 39 U.S.C. § 404(d)(2)(A)(iv). The Postal Service estimates that continuing highway contract route carrier service would cost the Postal Service substantially less than maintaining the Ulman Post Office and would still provide regular and effective service. Item No. 21, Letter to Customer, at 1. The estimated

annual savings associated with discontinuing the Ulman Post Office are \$21,142.00.

FD at 7; Item No. 33, Proposal, at 8.

The Petitioner's appeal argues that additional costs will result from adding carrier delivery for the community. The Postal Service agrees, and considered such costs as the "annual cost of replacement services," offsetting part of the cost savings. FD at 7. The Postal Service has determined that Highway Contract route service is the best solution for providing regular and effective service to the Ulman community.

Economic factors are one of several factors that the Postal Service considered, and economic savings have been calculated as required for discontinuance studies, which is noted throughout the administrative record, consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iv). FD at 7; Item No. 33, Proposal, at 8.

The Postal Service determined that carrier service is more effective than maintaining the Ulman postal facility and postmaster position. FD at 8. The Postal Service's estimates are supported by record evidence, in accordance with the Postal Service's statutory obligations. The Postal Service, therefore, has considered the economic savings to the Postal Service resulting from such a closing, consistent with its statutory obligations and Commission precedent. See 39 U.S.C. § 404(d)(2)(A)(iv).⁵

⁵ The Participant Statement raises a new concern about the Postal Service's costs related to a new long-term lease for the Ulman location. While the Postal Service did not (and is not required to) anticipate in the Administrative Record the tardy raising of this concern, the attached lease document indicates, at page 2, that the Postal Service is allowed to terminate this lease with 90 days notice. This clause is consistent with the Postal Service's estimate of cost savings from annual lease costs. Final Determination at 7. The lease, at page U-2, also confirms the lack of water and sewer resources for the building noted in the Final Determination, at 1. The Postal Service studied the Ulman Post Office for possible closing because of declining postal needs in the community in addition to the vacant postmaster position. *Id.* at 1. The condition of the building was described, but not relied upon expressly in the decision to close. *Id.* at 1, 8.

Effect on Employees

As documented in the record, the impact on postal employees is minimal. The postmaster position became vacant when the postmaster retired on March 3, 2009. An officer-in-charge (OIC) has been installed to operate the office. Upon implementation of the final determination, the noncareer postmaster relief (PMR) may be separated from the Postal Service. The record shows that no other employee would be affected by this closing. FD at 7; Item No. 15, Post Office Survey Sheet, at 1; Item No. 33, Proposal, at 2, 8. Therefore, in making the determination, the Postal Service considered the effect of the closing on the employees at the Ulman Post Office, consistent with its statutory obligations. See 39 U.S.C. § 404(d)(2)(A)(ii).

Conclusion

As reflected throughout the administrative record, the Postal Service has followed the proper procedures and carefully considered the effect of closing the Ulman Post Office on the provision of postal services and on the Ulman community, as well as the economic savings that would result from the proposed closing, the effect on postal employees, and other factors, consistent with the mandate of 39 U.S.C. § 404(d)(2)(A).

After taking all factors into consideration, the Postal Service determined that the advantages of discontinuance outweigh the disadvantages. In addition, the Postal Service concluded that after the discontinuance, the Postal Service will continue to provide effective and regular service to Ulman customers. FD at 1-5. The Postal Service respectfully submits that this conclusion is consistent with and supported by the

administrative record and is in accord with the policies stated in 39 U.S.C. § 404(d)(2)(A). The Postal Service's decision to close the Ulman Post Office should, accordingly, be affirmed.

The Postal Service therefore respectfully requests that the determination to close the Ulman Post Office be affirmed.

Respectfully submitted,

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October 13, 2011